

Transport Delivery Overview & Scrutiny Committee

Date	4 September 2023
Report title	Deeper Devolution Deal - Transport Implementation Plan
Portfolio Lead	Transport - Councillor Mike Bird
Accountable Chief Executive	Anne Shaw, Executive Director, Transport for West Midlands Email: anne.shaw@tfwm.org.uk
Accountable Employee	Adam Harrison, Principal Policy & Strategy Officer, Transport for West Midlands adam.harrison@tfwm.org.uk
Report has been considered by	TfWM Strategy Board – 3 rd July 2023

Recommendation(s) for action or decision:

The Transport Delivery Overview & Scrutiny Committee is recommended to:

- (1) Note the Deeper Devolution Deal agreement between the WMCA and government, and its implications for the future transport system.
- (2) Consider and provide feedback on the transport implementation plan and agree to receive six monthly progress reports.

1. Purpose

- 1.1 To provide members with an overview of the Deeper Devolution Deal between the WMCA and government and its Transport Implementation Plan.

2. Background

- 2.1. On Wednesday 15 March 2023, the WMCA agreed a new trailblazing Deeper Devolution Deal (DDD) with government.
- 2.2. The deal secured wider ranging powers and a budget windfall in excess of £1.5 billion to level up the region. The deal document sets out the terms of the deal agreed between the government and the WMCA, with a new landmark approach to devolution.

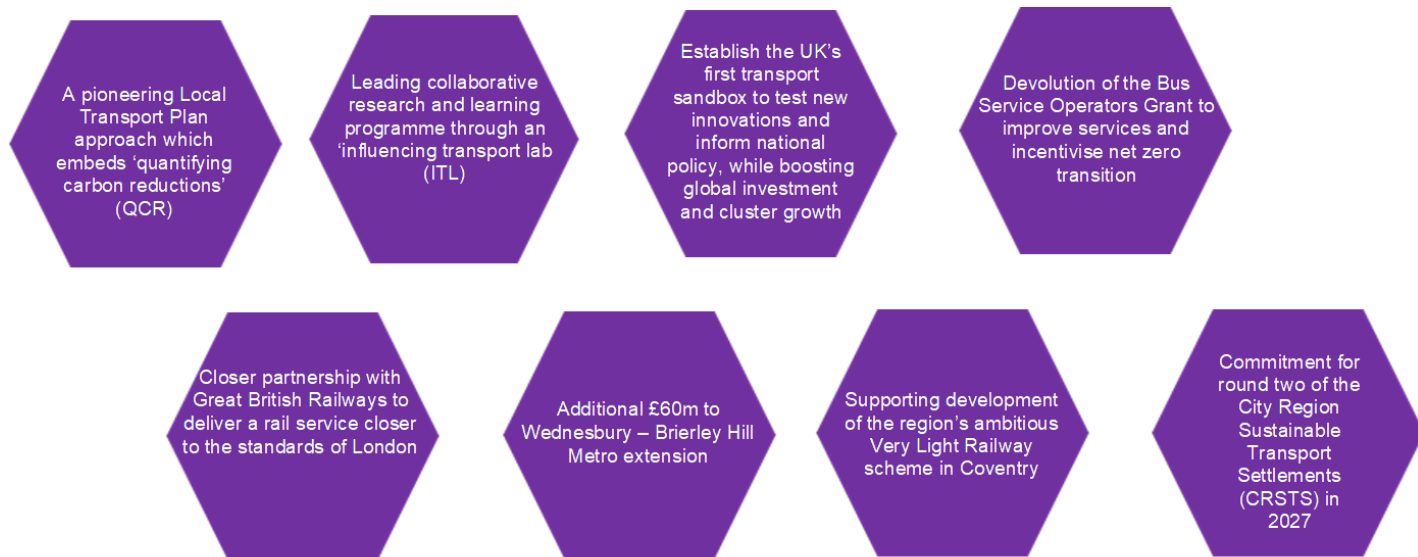
2.3. Overall deal highlights: -

- A **Single Funding Settlement**, where, along with Greater Manchester, we will be treated as if the CA were a government department, enabling the region to prioritise, target and decide how funding is spent in key areas.
- **Empowering the region's transport transformation** through devolution of bus service operator grants and a new partnership with Great British Railways, and the UK's first transport sandbox to enable the region to test and develop cutting-edge transport solutions.
- **A landmark housing deal worth up to £500 million** – with flexibilities around deployment for regenerating brownfield land, a route to full devolution of Affordable Housing Programme funding, and the West Midlands leading a pioneering new approach to maximising Government land assets.
- Fiscal devolution, including **100% business rates retention over 10 years** – worth an estimated £450 million to the WMCA and local authorities.
- **Up to Six Levelling Up Zones** – priority areas identified by local decision makers that will attract 25-year business rate retention, to accelerate growth, development and regeneration.
- **Commitment to devolving retrofit funding (from 2025)** – providing certainty and consistency that will build confidence in the marketplace, enable the region to prioritise its allocations, and accelerate the delivery of warmer homes and net zero targets.
- Further influence over key policy areas such as **skills, careers, employment support and digital inclusion**. This will give local decision-makers more freedom and flexibility to support people into work, attain better skills and improve their quality of life.
- **Greater influence over business and innovation policy**. This includes areas such as inward investment and international trade, the next round of British Business Bank UK investment funds, and the formation of a unique Strategic Productivity Partnership with Government.

Transport commitments

- 2.4. The Deal builds on significant transport powers and funding from the previous two devolution deals (2015 and 2017). The Deal commitments are intended to provide further autonomy to the WMCA to establish itself as a leader in transport innovation in the UK and improve the transport offer to its citizens.
- 2.5. A lesson learnt from the two previous deals is that close partnership working with DfT and local effort and commitment is needed to ensure that offers made in the Devolution Deal are turned into actions that improve the transport system for residents and business in the West Midlands, hence the need for a mechanism to monitor progress and escalate issues as and when required.
- 2.6. Importantly, the transport elements support the delivery of our Local Transport Plan (LTP) outcomes to **level up accessibility, electrify transport and reduce traffic**.
- 2.7. On transport infrastructure, there is a welcomed future funding commitment for round 2 of the City Region Sustainable Transport Settlements, which will come online from 2027. There was also positive news in the immediate term, with an additional £60m which is expected to act as a springboard for delivery of the Metro extension between Dudley town centre and Brierley Hill. This was subject to a separate funding approval of funding for the full phase 2 by the WMCA Board on 16 June 2023.

2.8. Building on the West Midlands' strengths in transport innovation, as the country's first future transport zone, and its close partnership working with government, the deal provides: -



Transport Implementation Plan

- 2.9. WMCA Board on 16 June 2023 approved the commencement of a statutory governance review into the proposal for the Secretary of State to devolve the payment of Bus Service Operators Grant to WMCA as a Mayoral function. The governance review and scheme is planned to be considered and endorsed by each constituent authority by the 30 September 2023. On 13 October, WMCA Board will be asked to unanimously agree to submit the final review and scheme to the Secretary of State and request that a draft statutory order be prepared. The Board will also be asked to ratify the whole deal at the same meeting.
- 2.10. TfWM has already mobilised its internal resources to further develop and deliver the transport elements of the deal, and this is supported by the implementation plan. This plan will coordinate delivery across TfWM, and to collaborate with other CA directorates, local authority partners and government. TfWM has also established a working relationship with the Department for Transport's (DfT) Devolution Division to discuss deal progress and deliver on deal commitments. TfWM's Policy and Strategy Team are leading these negotiations with DfT.
- 2.11. Implementation plan progress is being overseen and monitored quarterly by TfWM's Strategy Board and Strategic Transport Officers Group (STOG). The implementation plan is set out in Appendix A.

3. Strategic Aims and Objectives

3.1. The report aligns to WMCA aims to: -

- 1. Promote inclusive economic growth in every corner of the region
- 2. Ensure everyone has the opportunity to benefit.
- 3. Connect our communities by delivering transport and unlocking housing and regeneration schemes.

- 4. Reduce carbon emissions to net zero and enhance the environment
- 5. Secure new powers and resources from central government
- 6. Develop our organisation and be a good regional partner.

- 3.2. TfWM has invested heavily in our network since the first devolution deal was agreed. However, the pandemic has shifted patterns and behaviours, with patronage remaining below pre-pandemic levels. The bus industry, in particular is facing acute challenges.
- 3.3. The deal gives the region a greater set of tools to face these challenges and create an integrated transport system that is fit for the future.

4. Financial Implications

- 4.1. A key principle of Devolution Deal negotiations was that WMCA would not accept any additional powers or accountabilities that cannot be either accommodated within existing resources or came with new funds to support them.
- 4.2. As outlined above, the majority of the commitments already have committed resource and funding to enable these to progress. There are some commitments that require further scoping work and discussions with DfT and other partners to fully understand the requirements and financial implications. As these develop there will need to be discussions around the requirements and funding source.
- 4.3. It is noted that some elements of funding may need to be fed into discussions on the single settlement due to be implemented from 2025/26.

5. Legal Implications

- 5.1. The devolution of the statutory function of administering Bus Service Operators Grant under section 154 (1) of the Transport Act 2000 will require a statutory Order. The process for this is for WMCA to carry out a governance review and develop a scheme to demonstrate that the devolution of this function will improve the efficiency and effectiveness of the delivery of this service. This scheme will then be submitted to the Secretary of State for consideration. The making of the Order will require the consent of each of the 7 Constituent Authorities and also a unanimous vote of their Members present and voting at the WMCA Board.
- 5.2. The other proposals set out in the Deeper Devolution Deal will require further legal consideration as they are progressed particularly in relation to procurement.

6 Equalities Implications

- 6.1. The WMCA is committed to improving diversity, equality and inclusion. As individual schemes and programmes are developed, they will be subjected to detailed Equality Impact Assessments to demonstrate and quantify the implications on our diverse communities across the West Midlands.

7. Inclusive Growth Implications

- 7.1. The implementation of the Deeper Devolution Deal Transport Implementation Plan will have implications for all eight fundamentals of the West Midlands Inclusive Growth Framework. We will use the greater control over investments and powers to the region to generate inclusive and sustainable economic growth for all our residents and

communities. As detailed schemes and programmes are developed, a full consideration of the inclusive growth implications will be made in line with the Local Transport Plan.

8. Geographical Area of Report's Implications

- 8.1. The report applies to the constituent WMCA area. However, TfWM and DfT have committed to work together to identify any cross-boundary bus service issues in regard to the future devolution of commercial BSOG.

9. Other Implications

- 9.1. N/A.

10. Schedule of Background Papers

Appendix A: Transport Implementation Plan.

WMCA Board 16/06/2023 [Deeper Devolution Deal - Statutory Processes.](#)

Appendix A

Inclusive Growth Fundamental: Connected Communities

Exec Lead: Anne Shaw

Rail

What will the deal achieve? The deal will lead to a partnership agreement between West Midlands Rail Executive (WMRE) and Great British Railways (GBR). This will enhance local accountability and influence over the regional rail network. It will give the ability to influence rail planning with our local growth and social priorities, better integrate rail with other modes of transport and support the roll out of integrated smart ticketing.

What will be delivered? A new partnership agreement between WMRE and GBR and a pilot for fully integrated fares and ticketing – through Swift on Rail Pay As You Go (via Swift Go). The partnership agreement will be approved through the WMRE Board, chaired by the Mayor (as WMCA representative). Local authority representatives are also on the WMRE Board.

There are some uncertainties whether GBR and wider transport reforms will make it into the 4th Parliamentary session/Autumn King's Speech.

Infrastructure and planning

What will the deal achieve? The deal will drive further investment in the regional transport network, alleviate cost pressures on existing schemes and support regional transport planning. This is additional to the announcement of a further round of funding through the City Region Sustainable Transport Scheme (CRSTS).

What will be delivered? £60m of additional funding towards the Wednesbury to Brierley Hill Metro Extension and additional transport planning resources for the Combined Authority implement new data and analytical tools. STOG is supporting the development and oversight of relevant business cases, with strategic decisions taken by the Combined Authority Board. Coventry City Council is leading the development of very light rail infrastructure, working closely with TfWM and DfT.

Buses

What will the deal achieve? The deal: hands more power to the region over payments to bus operators and commits to investigate additional powers to tackle anti-social behaviour on the transport network.

What will be delivered? Devolution of the Bus Services Operator Grant (BSOG) to WMCA. STOG will test and refine advice that is provided to DfT on the design of the BSOG scheme and its appropriate boundaries. The BSOG Governance Review and Scheme is provided alongside this document for local authority feedback and will be approved at WMCA Board in October 2023. We await a DfT consultation on reforms to BSOG, which is scheduled for autumn/winter 2023.

TfWM are close to agreeing enhanced responsibilities for Transport Safety Officers (TSO) to tackle anti-social behaviour on the bus vehicles (working closely with operators) and we are

assisting national government with the implementation of its anti-social behaviour action plan and the national trialling of TSO's in England.

Transport planning and innovation

What will the deal achieve? The deal will enable the region to test and demonstrate new, innovative technologies to drive behaviour change in transport usage, including through low-emission and autonomous vehicle trials. This includes a Transport Sandbox, a pioneering Local Transport Plan approach which embeds quantifying carbon reductions (QCR) and delivering an influencing transport lab (ITL).

What will be delivered? Funding and sponsorship from the Department for Transport to develop proposals and evidence. TfWM has recently consulted on a refreshed LTP and 6 Big Moves. TfWM is also developing a LTP assessment framework which will embed the QCR approach. TfWM are awaiting the publication of updated LTP guidance and QCR guidance (anticipated during autumn 2023).

TfWM are also progressing technical transport sandbox use cases work programme with the DfT and local authority partners. TfWM are expecting a decision on a bid for Birmingham to host the 2027 World Intelligent Transport Systems Congress in October 2023.

STOG is supporting policy development, with strategic decisions taken by the Combined Authority Board.

Roads

What will the deal achieve? The deal commits government to work with the WMCA to explore opportunities for traffic officers on the KRN (building on Commonwealth Games successes) and government will also consider options for tackling pavement parking issues, including exploring appropriate powers for mayoral combined authorities and their constituent authorities.

What will be delivered? TfWM is exploring external consultancy support for the development of detailed options for a traffic/transport officer service. Whilst we await a response from government on the 2020 consultation on pavement parking enforcement and future national legislation, TfWM is beginning to engage with local authority partners. We plan to use a similar model for Moving Traffic Contravention powers enactments, where we would build a business case based on an understanding of the scale of pavement parking, key locations and its implications to inform delivery.

STOG is supporting policy development, with strategic decisions taken by the Combined Authority Board.

Indicative delivery programme

	May	June	July	August	September	October	November	December	2024	2025	
Rail	Negotiate MoU with GBR					Design pilot operating model			Begin Pilot		
									Full Partnership begins		
Innovation	VLR options appraisal				SOBC production						
	VLR concept designs on East Bham/N Solihull corridor										
	Prepare use cases and then for operation of passenger carrying automated service										
	Trial with Coventry CC on DRT										
Buses				LA feedback on Governance Review and Scheme							
				DfT prepare statutory instrument			Statutory process managed by DfT				
	Submit advice on ASB to DfT										
Inf Funding			Re-baseline CRSTS finances								
			Revise WBH Business Case				Expected Govt approvals				